

**CALIFORNIA INDUSTRIAL DEVELOPMENT FINANCING ADVISORY COMMISSION  
SMALL BUSINESS PROGRAM (SBP)**

**Meeting Date: April 23, 2008**

***Request Approval for Initial and Final Resolution for Taxable Bonds***

Prepared by: *Deanna Hamelin*

<b>Issuer:</b> Industrial Development Authority of Alameda County	<b>Taxable Amount</b>
<b>Borrower:</b> SPJC Limited Liability Company and its successors and assigns	<b>Requested:</b> \$1,048,000
<b>User:</b> Oakland Pallet Company, Inc. and its successors and assigns	<b>Application No.:</b> 08-0008
<b>Location:</b> City of San Lorenzo (Alameda County)	<b>Taxable IR &amp; FR</b>
	<b>No.:</b> 08-0008B

**Borrower/User/Background:** SPJC Limited Liability Company (the “Borrower”) and Oakland Pallet Company, Inc. (the “User”) were organized and incorporated in California on September 21, 2004 and June 21, 1995, respectively. The User manufactures new wooden pallets, repairs damaged pallets for certain customers, including Coca Cola Bottling Co., and recycles deteriorated and unusable pallets. The User also sells pallets to customers, including E & G Gallo Winery, Ghirardelli Chocolate, and S. Martinelli & Company.

**Current Request:** At its February 27, 2008 Meeting, the Commission approved Initial and Final Resolution No. 08-0008 and Allocation Resolution No. 08-0008A for \$2,340,000 in tax-exempt bonds for the Issuer for the Oakland Pallet Company, Inc. Project. The Initial and Final Resolution did not include reference to the Issuer’s request for approval of the issuance of \$1,048,000 in taxable bonds. This omission requires that staff seek the Commission’s approval of the issuance of \$1,048,000 in taxable bonds by the Issuer for the Oakland Pallet Company, Inc. Project. Proceeds from the taxable Industrial Development Bonds (IDBs) will be used to pay off an outstanding mortgage loan on the Project site (\$780,000), as required by the letter of credit bank, and to refinance used equipment. The Project remains the same as approved by the Commission at its February 27, 2008 meeting. For more information about the Project or the Borrower, please see the attached staff report (Attachment A).

**Recommendation:** Staff recommends approval of Initial and Final Resolution 08-0008B for the taxable portion of this bond transaction for an amount not to exceed \$1,048,000, for the Issuer for the Oakland Pallet Company, Inc. Project. This approval is subject to staff’s analysis and approval of final bond documents, and receipt of bond counsel’s opinion, as set forth in Initial and Final Resolution Nos. 08-0008 and 08-0008B.

**INITIAL AND FINAL RESOLUTION  
OF THE  
CALIFORNIA INDUSTRIAL DEVELOPMENT FINANCING  
ADVISORY COMMISSION (CIDFAC)  
IR/FR # 08-0008B**

**WHEREAS**, the Industrial Development Authority of Alameda County (the “Issuer”) has reviewed the application of SPJC Limited Liability Company and its successors and assigns and Oakland Pallet Company, Inc. and its successors and assigns (the “Applicants”) for the issuance of \$1,048,000 in taxable bonds (the “Bonds”) and has found that said application complies with the provisions of the California Industrial Development Financing Act and has certified to the California Industrial Development Financing Advisory Commission (the “Commission”) that it has adopted a resolution declaring its intention to issue such Bonds and that the Issuer has held a public hearing regarding the issuance of the Bonds and has approved the issuance of the Bonds and has transmitted said application to the Commission and the information necessary to permit review of said application by the Commission; and

**WHEREAS**, the Commission has reviewed the application and the material submitted with the application.

**NOW, THEREFORE**, the Commission resolves as follows;

Section 1. The Commission, based on its review of the application and the information submitted therewith, does determine that:

(a) the public benefits from the construction and use of the facility described in the application likely will substantially exceed any public detriment from the issuance of the bonds in the estimated principal amount of \$1,048,000 in taxable bonds; and

(b) the completion of the project described in the application and the operation of the facility described in the application are reasonably necessary to prevent the

**Agenda Item – 4.C.1.**

relocation of substantial operations of the Applicant from an area within the State of California to an area outside of the State of California.

Section 2. The Commission conditionally finds that the proposed issuance of the bonds qualifies under the provisions of Article 5 of Title 10 of the Government Code, and further finds that:

(a) the bonds will be adequately secured and the funds available to the Applicant will be sufficient to pay the principal of and interest on the bonds to be issued; and

(b) based on its review of the preliminary material submitted to it and as provided for under Government Code Section 91571, the proposed issuance will be fair, just and equitable to a purchaser of the bonds, and that the bonds proposed to be issued and the methods to be used by the Authority in issuing them will not be such as will work a fraud upon the purchaser thereof.

Section 3.

The Commission determines that it is appropriate to the proposed transaction that the qualification of the proposed issuance be subject to the following conditions:

(a) the Bond Counsel Opinion, when ready for execution, shall be submitted to Commission staff;

(b) the final legal documents, when ready for execution, shall be submitted to Commission staff for its review. Submitted documents shall include:

- (i) Loan Agreement,
- (ii) Indenture,
- (iii) Bond Resolution,
- (iv) Letter of Credit

**Agenda Item – 4.C.1.**

- (v) Other documents which, in the opinion of Commission staff, are necessary to the review of the transaction;
- (c) the Commission staff shall determine that the final documents associated with the transaction have been developed in form and content substantially similar to the representations in the application on which are based the findings under Section 2. above;
- (d) the bonds, when issued, are within the maximum limitation of bonds authorized in the California Industrial Development Financing Act (Section 91573(a) of California Government Code);
- (e) the Commission shall receive all applicable fees prior to the issuance of the bonds, unless bond documents indicate that such fees are to be paid from the proceeds of the bonds; and
- (f) the Applicant agrees to comply with Section 91533(l) of the Government Code relating to the payment of prevailing wages.

Section 4. This Resolution shall cease to be effective if the above-described bonds have not been issued within six months after the date of adoption of this Resolution.

Section 5. In compliance with the provision of the California Industrial Development Financing Act (Section 91754 California Government Code), the qualification of the proposed bond issue by this resolution is permissive only, and does not constitute a recommendation or endorsement of the bonds so qualified by the Commission.

## Attachment A

**CALIFORNIA INDUSTRIAL DEVELOPMENT FINANCING ADVISORY COMMISSION  
SMALL BUSINESS PROGRAM**

**Meeting Date: February 27, 2008**

***Request for Initial and Final Resolution and Tax-Exempt Bond Allocation Approval***

Prepared by: *Deanna Hamelin*

<b>Issuer:</b>	Industrial Development Authority of Alameda County	<b>Amount Requested:</b>	\$2,340,000
<b>Borrower:</b>	SPJC LLC	<b>Application No.:</b>	08-0008
<b>User:</b>	Oakland Pallet Company, Inc.	<b>IR &amp; FR No.:</b>	08-0008
<b>Location:</b>	City of San Lorenzo (Alameda County)	<b>SBP Allocation No.:</b>	08-0008A

**Borrower/User/Background:** SPJC LLC (the “Borrower”) and Oakland Pallet Company, Inc. (the “User”) (collectively the “Company”) was incorporated in California on June 21, 1995. The Company manufactures new wooden pallets, repairs damaged pallets, and recycles the deteriorated and unusable pallets. The pallets are company-owned and are rented to its customers, which include Coca Cola Bottling Co., E & G Gallo Winery, Ghirardelli Chocolate, and S. Martinelli & Company.

**Project Information:** Bond proceeds will be used for the construction of a new, 3,000 square foot metal operations/manufacturing building on the company-owned site in the City of San Lorenzo. In addition, bond proceeds will be used for the acquisition and installation of equipment, including a new computer-controlled pallet manufacturing machine, a conveyor driven repair system with stacking machines, a conveyor pre-sort system for returned pallets, stackers and sorters, metal work stations with lead board removers, and new forklifts and trailers.

**Anticipated Timeline:** Construction and equipment purchases are anticipated to begin March 2008 and to be completed by June 2008.

**Prior Actions/Financing:** None.

**Local Government Support:** The Company provided a letter from Ms. Susan Muranishi, County Administrator for the County of Alameda, in support of the project. (See Attachment A.)

**Status Of Permit/Other Required Approvals:**

- The Industrial Development Authority of Alameda County approved the Inducement Resolution in an aggregate amount not to exceed \$4,000,000 for the Project on December 18, 2007.
- The Borrower submitted a verification of zoning and local approvals from the County of Alameda.
- A TEFRA hearing was held by the County of Alameda on February 5, 2008, and no comments supporting or opposing the Project were received.

**STATUTORY CRITERIA:** 1) Public Benefits, 2) Relocation and 3) Bond Issue Qualification. Points have been awarded based on evaluation consistent with CDLAC guidelines. CDLAC does not require the evaluation of points for all statutory criteria.

Attachment A

- 1) **PUBLIC BENEFITS:** Consistent with CDLAC guidelines, the staff has awarded a total of 25 verifiable points to the Project. Five of the 25 points assigned are based upon the creation of 46 jobs within two years of the Project completion. The allocation of points is detailed below:

**Community Economic Need (5 points):**

**Unemployment Rate (0 points):** No points in this category were awarded to the Project because the unemployment rate of the Project area is less than 125% of the statewide average.

**Poverty Rate (0 points):** No points were awarded in this category because the poverty rate of the project area is less than 110% of the statewide average.

**Special Designation Area (5 points):** The Project is located within the Alameda County Redevelopment Project Area within the San Lorenzo Sub-Area.

**Median Family Income (0 points):** No points were awarded in this category because the median family income of the project area is not less than 80% of the statewide average.

**Employment Benefits (Job Creation/Retention = 5 points):** The Company currently employs 110 direct, full-time employees. The Company anticipates creating 46 additional jobs within two years of the completion of the project. The creation of additional jobs translates into a ratio of one job for every \$50,869 in bond proceeds.

**Welfare-to-Work Plan (5 points):** The Company provided a letter from the Alameda County Social Services Agency that verifies Oakland Pallet Company, Inc. will participate in CalWORKs employment services. (See Attachment B.)

**Health Care Benefits (0 points):** No points were awarded in this category.

**Average Hourly Wage (0 points):** No points were awarded in this category.

**Land Use/Public Transit Corridor/Energy Efficiency (5 points):**

**Land Use (0 points):** No points were awarded from this category.

**Public Transit Corridor (5 points):** The Company provided verification that the Project site is located with a public transit corridor. A Wheels Bus Stop is within ½ mile from the Project site.

**Energy Efficiency (0 points):** No points were awarded in this category.

**Leveraging (5 points):** The total Project cost is \$3,566,990. The Company will borrow \$2,340,000 of the Project costs in the form of tax-exempt IDB financing, which will cover approximately 65% of the Project costs. The remaining 35% of Project costs will be covered

Attachment A

by a companion taxable IDB (\$1,048,000) and by the Company's equity. Proceeds from the taxable IDB will be used to pay off an outstanding mortgage loan on the Project site (\$780,000), as required by the letter of credit bank, and to refinance used equipment.

**RELOCATION OF COMPANY OPERATIONS (No point evaluation required):** The Company will remain at its current location in the City of San Lorenzo.

**QUALIFICATION OF BOND ISSUANCE (No point evaluation required):** Based upon the proposed financial structure and based upon the application and other materials submitted to CIDFAC for the proposed Project, staff believes the bonds that will be issued in connection with the Project: (a) will be adequately secured; (b) will be fair, just, and equitable to a purchaser of the bonds; and (c) will not work a fraud upon the bond purchaser. Final determination of qualification of the bonds will be subject to review of final bond documents prior to the issuance of bonds.

**Financing Details:** The tax-exempt IDBs will be sold in a public offering. The bonds will be variable rate bonds repayable over a 25-year period and will be secured by a direct pay Letter of Credit issued by Comerica Bank. The bonds are expected to be rated A/A-1.

**Financing team:**

**Issuer:** Industrial Development Authority of  
Alameda County  
**Bond Counsel:** Lofton & Jennings  
**Underwriter:** Westhoff, Cone & Holmstedt  
**Financial Advisor:** Progressive Capital

**Legal Questionnaire:** The Staff has reviewed the Borrower's/User's responses to the questions contained in the Legal Status portion of the Application. There was no information disclosed that raises questions concerning the financial viability or legal integrity of the applicants.

**Recommendation:** Staff recommends approval of Initial and Final Resolution Nos. 08-0008 and of the Resolution transferring a portion of the State's 2008 qualified private activity bond allocation for small-issue industrial development projects under the Small Business Program for an amount not to exceed \$2,340,000, to SPJC, LLC and Oakland Pallet Company, Inc. This approval and transfer of allocation is subject to staff's analysis and approval of final bond documents, and receipt of bond counsel's opinion, as set forth in Initial and Final Resolution No. 08-0008 and in SBP Allocation Resolution No. 08-0008A.

**Attachment A**

**ATTACHMENT C**

**Small Business Program Allocation**

CIDFAC approval is contingent upon receiving allocation from CDLAC to provide financing under CIDFAC's Small Business Program (SBP). The issuance of tax-exempt bonds under SBP requires the following:

**CIEDB\* Transactions**

1. CIEDB approves inducement resolution.
2. CIDFAC approves tax-exempt allocation.
3. CIEDB approves final resolution.
4. CIEDB issues bonds.

**CIDFAC Transactions**

1. Local issuer approves an inducement resolution.
2. CIDFAC approves initial/final resolution.
3. CIDFAC approves tax-exempt allocation.
4. CIDFAC issues a Final Issuance Certificate.
5. Local issuer issues bonds.

\* California Infrastructure and Economic Development Bank



Attachment A

**INITIAL AND FINAL RESOLUTION  
OF THE  
CALIFORNIA INDUSTRIAL DEVELOPMENT FINANCING  
ADVISORY COMMISSION (CIDFAC)  
IR/FR # 08-0008**

**WHEREAS**, the Industrial Development Authority of Alameda County (the “Issuer”) has reviewed the application of SPJC LLC and Oakland Pallet Company, Inc. (the “Applicants”) for the issuance of \$2,340,000 of tax-exempt bonds (the “Bonds”) and has found that said application complies with the provisions of the California Industrial Development Financing Act and has certified to the California Industrial Development Financing Advisory Commission (the “Commission”) that it has adopted a resolution declaring its intention to issue such Bonds and that the Issuer has held a public hearing regarding the issuance of the Bonds and has approved the issuance of the Bonds and has transmitted said application to the Commission and the information necessary to permit review by the Commission; and

**WHEREAS**, the Commission has reviewed the application and the material submitted with the application.

**NOW, THEREFORE**, the Commission resolves as follows;

Section 1. The Commission, based on its review of the application and the information submitted therewith, does determine that:

(a) the public benefits from the construction and use of the facility described in the application likely will substantially exceed any public detriment from the issuance of the bonds in the estimated principal amount of \$2,340,000; and

(b) the completion of the project described in the application and the operation of the facility described in the application is reasonably necessary to prevent the

**Attachment A**

relocation of substantial operations of the Applicant from an area within the State of California to an area outside of the State of California.

Section 2. The Commission conditionally finds that the proposed issuance of the bonds qualifies under the provisions of Article 5 of Title 10 of the Government Code, and further finds that:

(a) the bonds will be adequately secured and the funds available to the Applicant will apparently be sufficient to pay the principal of and interest on the bonds to be issued; and

(b) based on its review of the preliminary material submitted to it and as provided for under Government Code Section 91571, the proposed issuance will be fair, just and equitable to a purchaser of the bonds, and that the bonds proposed to be issued and the methods to be used by the Authority in issuing them will not be such as will work a fraud upon the purchaser thereof.

Section 3. The Commission determines that it is appropriate to the proposed transaction that the qualification of the proposed issuance be subject to the following conditions:

(a) that the Bond Counsel Opinion, when ready for execution, be submitted to Commission staff;

(b) that the final legal documents, when ready for execution, be submitted for review by Commission staff. Submitted documents shall include:

- (i) Loan Agreement,
- (ii) Indenture of Trust,
- (iii) Purchase Contract,

**Attachment A**

- (iv) Bond Resolution,
- (vi) Letter of Credit,
- (vii) Other documents which, in the opinion of Commission staff,  
are necessary to the review of the transaction;

(c) that the Commission staff determine that the final documents associated with the transaction have been developed in form and content substantially similar to the representations in the application on which the findings under Section 2. above are based;

(d) that the bonds, when issued, are within the maximum limitation of bonds authorized in the California Industrial Development Financing Act (Section 91573(a) of California Government Code);

(e) that the Commission receive all applicable fees prior to the issuance of the bonds or that the bond documents indicate that funds are available at closing from the proceeds of the bonds and/or funds provided by the Applicant to pay such fees; and

(f) that the Applicant has agreed to comply with Section 91533(l) of the Government Code relating to the payment of prevailing wages.

Section 4. This Resolution shall cease to be effective if the above-described bonds have not been issued within six months after the date of adoption of this Resolution.

Section 5. In compliance with the provision of the California Industrial Development Financing Act (Section 91754 California Government Code), the qualification of the proposed bond issue by this resolution is permissive only, and does not constitute a recommendation or endorsement of the bonds so qualified by the Commission.

Attachment A

**THE CALIFORNIA INDUSTRIAL DEVELOPMENT  
FINANCING ADVISORY COMMISSION  
RESOLUTION NO. 08-0008A  
RESOLUTION TRANSFERRING A PORTION OF THE 2008 STATE CEILING  
ON QUALIFIED PRIVATE ACTIVITY BONDS FOR A  
SMALL-ISSUE INDUSTRIAL DEVELOPMENT PROJECT  
UNDER THE SMALL BUSINESS PROGRAM**

**WHEREAS**, the California Debt Limit Allocation Committee (“CDLAC”) has awarded allocation to the California Industrial Development Financing Advisory Commission (the “Commission”) for the Small Business Program; and

**WHEREAS**, the Commission has the authority to transfer a portion of its allocation to local and State issuers; and

**WHEREAS**, the Commission has received an application (“Application”) from the Alameda County Industrial Development Authority (“Applicant”) for the transfer to the Applicant of a portion of the 2008 State Ceiling on Qualified Private Activity Bonds (the “State Ceiling”) under Section 146 of the Internal Revenue Code of 1986, as amended, for use by the Applicant to issue bonds or other obligations (“Bonds”) for a project as specifically described in Exhibit A (“Project”) (capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Procedures of the Commission Implementing the Allocation of the State Ceiling on Qualified Private Activity Bonds (the “Commission’s Procedures”)); and

**WHEREAS**, the Project Sponsor (as defined in Exhibit A) has represented certain facts and information concerning the Project in the Application, which the Applicant has confirmed; and

**WHEREAS**, in evaluating the Project and potential allocation of a portion of the State Ceiling to the Applicant for the benefit of the Project, the Commission has relied upon the

**Attachment A**

written facts and information represented in the Application by the Project Sponsor and the Applicant; and

**WHEREAS**, it is appropriate for the Commission to make a transfer of a portion of the State Ceiling (“Allocation”) contingent upon receipt of Allocation from CDLAC for its Small Business Program in order to benefit the Project described in the Application.

**NOW, THEREFORE**, the California Industrial Development Financing Advisory Commission resolves as follows:

Section 1. Contingent upon adequate allocation for the Small Business Program, there will be a transfer to the Applicant an amount of the State Ceiling equal to \$2,340,000. Such Allocation may be used only by the Applicant and only for the issuance of Bonds for the Project, as specifically described in Exhibit A. All of the terms and conditions of Exhibit A are incorporated as though fully set forth herein (this resolution, together with Exhibit A, hereinafter referred to as the “Resolution”).

Section 2. The terms and conditions of this Resolution shall be incorporated in appropriate documents relating to the Bonds, and the Project Sponsor, the Applicant and their respective successors and assigns will be bound by such terms and conditions.

Section 3. Any modification to the Project made prior to the issuance of the Bonds must be reported to the Executive Director and, if the Executive Director determines such modification to be material in light of the Commission’s Procedures, shall require reconsideration by the Commission before the Allocation may be used for the Project. Once the Bonds are issued, the terms and conditions set forth in this Resolution shall be enforceable by the Commission through an action for specific performance or any other available remedy, provided however, that the Commission agrees not to take such action or enforce any such remedy that would be materially adverse to the interests of the Bondholders. The Commission may consent to changes in the terms

**Attachment A**

and conditions set forth in this Resolution in the event the Commission is advised of changes in the Project as circumstances may dictate.

Section 4. Any material changes in the structure of the credit enhancement prior to the issuance of the Bonds and not previously approved by the Commission shall require approval of the Commission Chair or the Executive Director.

Section 5. The Applicant is not authorized to use the Allocation transferred hereby to make a carryforward election with respect to the Project. The Applicant is not authorized to transfer the Allocation to any governmental unit in the State other than this Commission.

Section 6. The potential Allocation transferred herein shall automatically revert to this Commission unless the Applicant has issued Bonds for the Project by the close of business within 90 days of the award of Allocation. In the case of extreme hardship, the Executive Director may extend this date by up to five (5) business days.

Section 7. Within twenty-four (24) hours of using the Allocation to issue the Bonds, the Applicant shall notify the Commission's staff and CDLAC's staff in writing (which may be by electronic or facsimile communication) that the Allocation has been used. Each notification to the Commission and to CDLAC shall identify the Applicant, the project or program, the date the Allocation was used, and the amount of the Allocation used.

Section 8. Within fifteen (15) calendar days of the issuance of the Bonds, the Applicant or its counsel shall formally transmit to CDLAC information regarding the issuance of the Bonds by submitting a completed Report of Action Taken in a form prescribed by and made available by CDLAC.

Section 9. Any differences between the amount of Bonds issued and the amount of the Allocation granted in Section 1 of this Resolution shall automatically revert to the Commission. If at any time prior to the expiration date set forth in Section 6 hereof the Applicant

**Attachment A**

determines that part or all of the Allocation will not be used to issue Bonds by that date, the Applicant shall take prompt action by resolution of its governing board or by action of its authorized officer to return such unused Allocation to the Commission.

Section 10. The staff of the Commission is authorized and directed to transmit a copy of this Resolution to the Applicant together with a request that the Applicant retain a copy of this Resolution in the Applicant's official records for the term of the Bonds. The Commission staff is further directed to retain a copy of this Resolution in the files of the Commission (or any successor thereto) for the same period of time.

Section 11. In consideration of the potential Allocation to be transferred to the Applicant and the Project Sponsor, the Applicant and the Project Sponsor shall comply with all of the terms and conditions contained in this Resolution and ensure that these terms and conditions are included in the documents related to the Bonds. Further, the Applicant and the Project Sponsor expressly agree that the terms and conditions of this Resolution may be enforced by the Commission through an action for specific performance or any other available remedy, provided however, that the Commission agrees not to take such action or enforce any such remedy that would be materially adverse to the interests of the Bondholders. In addition, the Applicant and the Project Sponsor shall ensure that the Bond documents, as appropriate, expressly provide that the Commission is a third party beneficiary of the terms and conditions set forth in this Resolution.

Section 12. The Project Sponsor or its successor-in-interest shall provide certifications of compliance with the terms and conditions set forth in this Resolution when reasonably requested by the Commission.

Section 13. This Resolution shall take effect upon its adoption and upon the Commission's receipt of Allocation from CDLAC for its Small Business Program.

**EXHIBIT A**

**RESOLUTION NO: 08-0008A  
(A SMALL-ISSUE INDUSTRIAL DEVELOPMENT PROJECT  
UNDER THE SMALL BUSINESS PROGRAM)**

1. Applicant: Industrial Development Authority of Alameda County
2. Application No.: 08-0008
3. Project Sponsor: SPJC Limited Liability Company
4. Project User: Oakland Pallet Company, Inc.
5. Project Name: Oakland Pallet Company, Inc.
6. Address: 2500 Grant Avenue  
Location: San Lorenzo, CA 94580  
County: Alameda County
7. Amount of Allocation: \$2,340,000
8. The Project Sponsor has represented that it reasonably expects the User will use its best efforts to achieve within two years of the completion of the Project the following:
  - participation in the Welfare-to-Work Plan with the Alameda County Social Services Agency;
  - creation of 46 additional direct full-time jobs, which includes three management positions and 43 skilled positions.



Attachment A



Attachment A  
COUNTY ADMINISTRATOR

January 23, 2008

SUSAN S. MURANISHI  
COUNTY ADMINISTRATOR

DONNA LINTON  
ASSISTANT COUNTY ADMINISTRATOR

Eileen Marxen  
Deputy Executive Director  
California Industrial Development Financing Advisory Commission  
915 Capitol Mall, Room 457  
Sacramento, CA 95814

Dear Ms. Marxen:

The County of Alameda wishes to express its support for the \$2,340,000 Industrial Development Bond (IDB) application submitted to your office for the Oakland Pallet Company.

Oakland Pallet Company, located in the unincorporated area of the County, plans to construct an operations facility and acquire and install equipment on the 8.5 acres that it currently owns and has utilized for business since 1996. The company employs 140 people and through the financing of this project, the company anticipates creating 46 additional jobs over the next two years. This project's financing of facilities and equipment will enable the company to modernize its production, improve product quality, operational efficiency and employee working conditions and safety.

The County has been working closely with businesses in this area to retain jobs and encourage investment. The jobs created by this company will be a good match for the County's Welfare-to-Work program which the company has expressed an interest in utilizing. In addition, Oakland Pallet Company will play a critical role in reducing waste and recycling products used in pallets that distributors and manufacturers use to ship goods throughout the region. The new equipment will enable the company to incorporate more recycled products thereby furthering the County's efforts to meet its 75% waste diversion mandate.

Financing through the State's Industrial Development Bond (IDB) program is essential for this project to proceed. It is one of the few tools to encourage local business investment in land, buildings and new equipment that is essential to assist in our efforts to retain and increase manufacturing jobs.

This project is very important to Alameda County and we would appreciate your approval of the Oakland Pallet Company IDB project and allocation at your February Industrial Development Financing Advisory Commission (CIDFAC) meeting.

Very truly yours,

Susan S. Muranishi  
County Administrator

SSM:BK:ks

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cc: James Sorensen, Director, Community Development Agency  
Lynn Suter, Suter Wallauch Corbett & Associates  
Yolanda Baldovinos, Interim Director, Social Services Agency  
Karen Smith, Director, StopWaste

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FAX (510) 272-3784

A-1

Attachment A



Attachment B

Agenda Item – 4.C.1/4.D.1

Yolanda Baldovinos  
Interim, Agency Director

Thomas L. Berkley Square  
2000 San Pablo Avenue, Oakland, CA 94612  
510-271-9100 / Fax: 510-271-9108  
[ybaldovi2@co.alameda.ca.us](mailto:ybaldovi2@co.alameda.ca.us)  
[www.co.alameda.ca.us/assistance](http://www.co.alameda.ca.us/assistance)

January 18, 2008

Attn: Eileen Marxen  
Deputy Executive Director  
California Industrial Development Financing Advisory Commission  
915 Capitol Mall, Room 457  
Sacramento, Ca 95814

Dear Ms Marxen:

Oakland Pallet Company, Inc. has applied for an Industrial Development Bond to expand its operations in San Lorenzo and has expressed an interest in having Alameda County's Welfare-to-Work program assist in identifying, screening and preparing CalWORKs clients to fill the 46 new low-skill jobs that the company hopes to create over the next two years.

Alameda County has staff assigned to work with the business to help make this important connection and make this new project a success for its CalWORKs clients as well as the business.

The linkage of the CalWORKs and the Industrial Development Bond program continues to promote self-sufficiency and stability; provides support to individuals and families; and fosters a workforce development system that increases the economic vitality and human potential of communities through public and private sector partnerships. Therefore Alameda County is committed to both of these initiatives and encourages the approval of the IDB for this project.

Respectfully Yours

A handwritten signature in black ink, appearing to read "Yolanda Baldovinos".

Yolanda Baldovinos